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STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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March 21, 2002
 US BANKRUPTCY COURT
 DISTRICT OF DELAWARE

JOHAN KLEHS
 First District, Hayward

DEAN ANDAL
 Second District, Stockton

CLAUDE PARRISH
 Third District, San Diego

JOHN CHIANG
 Fourth District, Los Angeles

KATHLEEN CONNELL
 State Controller, Sacramento

JAMES E. SPEED
 Executive Director

W. R. Grace & Company
 5400 Broken Sound Boulevard N.W., Suite #300
 Boca Raton, FL 33487

SZ OHC 98-038849
 Appeals Case Id.: 84291
 Bankruptcy Case No. 01-01179

Dear Sir or Madam:

01-1139

In a previous letter we advised you that your appeals case would be held in abeyance pending the lifting of the "automatic stay" provided by 11 U.S.C. § 362 (a) of the United States Bankruptcy Code.

The State Board of Equalization recently reevaluated its policy regarding tax appeals impacted by bankruptcy and concluded that pursuant to 11 U.S.C. § 362 (b)(9)(D) the processing of your appeals case should resume. Therefore, unless you object in writing within 60 days from the date of this letter, we will proceed to process your appeals case according to our normal procedures.

Board of Equalization

Philip Spielman

Philip Spielman
 Supervisor, Petitions Section

PWS:ap

BK Proceed.dot (Rev. 02/25/02)

cc: Ms. Laura Davis Jones
 Pachulski, Stang, Ziehl, et al
 P. O. Box 8705
 Wilmington, DE 19899-8705

cc's continued on next page

cc: United States Bankruptcy Court
824 Market Street, 5th Floor
Wilmington, DE 19801

Special Procedures Section (MIC:55)

Out-of-State District Administrator